



Department of Economic and  
Community Development

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**Catherine H. Smith**  
Commissioner

**TESTIMONY BEFORE THE INSURANCE COMMITTEE**

**3/8/16**

**RE: HB 5051: AN ACT ADOPTING THE NATIONAL ASSOCIATION OF INSURANCE  
COMMISSIONERS' INTERSTATE INSURANCE PRODUCT REGULATION COMPACT**

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Senator Crisco, Representative Megna, Senator Kelly, Representative Sampson and members of the Insurance and Real Estate Committee. I appreciate the opportunity to testify in support of HB 5051: An Act Adopting the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact.

As you are aware, our mission at the Department of Economic and Community Development (DECD) is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting cultural and tourism assets.

Connecticut is home to some of the most successful insurance and financial services companies in the world. With such a large concentration of these firms, Connecticut employs many financial analysts, underwriters, risk managers, and actuaries. As a result, the success of the insurance and financial services sector is integral to the success and growth of Connecticut's economy.

The Interstate Insurance Product Regulation Compact is a joint effort of states to develop comprehensive uniform standards for the product content requirements of asset-based insurance products. The Compact is a central point of filing, reviewing and approving insurance products based on national uniform standards, with strong consumer safeguards. Companies doing business in states that have adopted the Compact have a more streamlined product approval process that promotes speed-to-market, while maintaining those strong consumer protections. This speed-to-market allows businesses to better compete nationally and globally.

Insurance companies face enormous competition. Consumer and business needs change rapidly and businesses must do the same to survive. To stay ahead, companies must create and implement products quickly.

More than forty states, including five in New England, are now part of the Compact. However, to date, Connecticut has remained on the sidelines. Yet, consumers, regulators and insurers would all benefit were Connecticut to join. Consumers will have quicker access to a broader choice and higher quality of investment products; regulators will be



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able to share best practices and use their resources more effectively; and companies will be more competitive, enabling them to grow, prosper and expand in our state.

Thank you for considering the department's comments this matter. I strongly urge your support.